

Another Look At Special District

Plan Would Raise Taxes Downtown

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Pittsburgh has one. Trenton has one. New York City has at least 50.

New Haven, Manchester, Stamford and Bridgeport all have special services districts, too. In fact, Hartford already has one on Park Street, but on a much different scale. Now, discussions are beginning again about whether downtown Hartford should have such a district, too.

The idea of a district is simple: Property owners come together and agree to pay more money for targeted special services that they control, from cleaner sidewalks to more hospitable streets to self-promotion and marketing.

The result is what one downtown advocate calls an enhanced experience - including litter crews, easily identifiable "ambassadors" to downtown, and better, more usable information on retail and parking.

"You get a higher quality neighborhood," said Austin Jordan, executive director of Hartford Guides Inc.

The idea came and went in downtown Hartford in 2000, rejected by a few unwilling large property owners. But now it's back - with support from Business for Downtown Hartford, Hartford Proud & Beautiful, and Jordan's organization.

And the major property owners downtown have also expressed a willingness to explore their options, said R. Nelson "Oz" Griebel, head of the MetroHartford Alliance. There may or may not be an appetite in the business community for such a district, he said. But at least there is an appetite for a serious discussion.

"I think it's worthy of study because of what's happened in the past five or six years," Griebel said, pointing to millions of dollars in private and public investment in downtown, as well as a change in the city charter that made for a strong-mayor form of

government. "This is a different time, and an appropriate time, to review the possibilities."

"There's lots of good ideas out there - I've got three desks full of good ideas," Jordan said. "What we need is the money to make them happen."

More than 1,000 special services districts exist nationwide, according to the International Downtown Association in Washington. Some stick to the core "clean and safe" functions, while others expand to include more community economic development opportunities.

In Trenton, what began with a core mission of "clean and safe" has in almost 20 years evolved into "a project-driven economic development organization," said Matt Bergheiser, executive director of the Trenton Downtown Association. "We've acquired and renovated buildings, we own and run a business, and many of our programs are fueled by the arts."

Of its roughly \$1 million annual operating budget, 60 percent comes from assessments and state payments in lieu of taxes - like Hartford, Trenton is a state capital with lots of state-owned, tax-exempt property.

At the Pittsburgh Downtown Partnership, the focus has long been "clean and safe," said interim Executive Director Nancy Hart.

"Even though the larger property owners are paying more than the smaller property owners, it's proven beneficial to everyone because the whole city benefits," she said. Customers feel safer walking downtown, employees feel safer walking to work downtown, and that means attracting new people, she said.

Now, more than a decade after its inception, the district has been reapproved once by the 524 property owners of the district who pay tax based only on the value of their land, not on the value of their buildings.

Of the district's roughly \$3 million budget, about \$1.2 million comes from assessments.

"For every dollar that the [district] gives us, we raise an additional \$1.84," Hart said. "We leverage their money to get other money to do things for downtown."

The need in Hartford for a special services district is easily quantifiable, said Ron Morneault, president of Business for Downtown Hartford. As it stands, hospitality and cleanliness programs are underfunded, Morneault said.

"What's the alternative?" he asked. "The alternative is to have no services, which is what you have now. Your alternative is not good."

The enhancements that a special services district can bring will attract new retail, Morneault said.

"It's important to do the job right, to bring the services to bear, and to finish the thing off right," he said. "I think it will make a big difference downtown."

The annual operating budget for downtown's district could be between \$1 million and \$1.5 million, with 60 percent of that coming from the 143 property owners in the proposed district, said Michael Zaleski, of Hartford Proud & Beautiful. The district has an assessed value of roughly \$560 million, he said.

"Now is the time to seriously look at this model as another way of building on the investment that has taken place in downtown over the last couple of years," Zaleski said. "Now more than ever."

But Zaleski and others realize that they have a delicate job ahead.

"I want to emphasize that the majority of people are skeptical ... in the good sense of the word," said Griebel of the MetroHartford Alliance. "Not because they're opposed to the idea, but, as you can well imagine, any taxpayer who even hears of the idea that they're being asked to pay additional money [for services] wants to know why."

Should it progress beyond the thinking stages, the proposal will have to jump some hurdles. First, its backers must get the nod of the city council to hold a referendum of the district's property owners. And, in order to pass, that referendum must get two majorities: a majority of property owners must vote in favor of the plan, and a majority of the owners who own half of the property value in the district must vote in favor, as well.

Mayor Eddie A. Perez said he, too, is open to the concept and that the city supports the discussion. "It's happening all across the country, and they work," he said. But he also recognizes that there are significant hurdles, he said.

"Before any proposal is put together," Perez said, "you've got to have a lot of buy-in."

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